

“If you done it, it ain’t bragging.”
— WALT WHITMAN



Morningstar Ratings™ A Shares as of 12/30/11

		Overall Rating	3 Year Rating	5 Year Rating	10 Year Rating
Virtus AlphaSector™ Rotation Fund PWBAX	Load Waived With Load Large Blend	★★★★★ ★★★★★ 1580 funds	★★★★★ ★★★★★ 1580 funds	★★★★★ ★★★★★ 1376 funds	N/A N/A
Virtus Balanced Allocation Fund HIBZX	Load Waived With Load Moderate Allocation	★★★★★ ★★★★★ 843 funds	★★★★★ ★★★★★ 843 funds	★★★★★ ★★★★★ 736 funds	★★★★★ ★★★★★ 393 funds
Virtus Bond Fund SAVAX	Load Waived With Load Intermediate-Term Bond	★★★★★ ★★★★★ 1018 funds	★★★★★ ★★★★★ 1018 funds	★★★★★ ★★★★★ 873 funds	★★★★★ ★★★★★ 582 funds
Virtus Core Equity Fund HGRZX	Load Waived With Load Large Blend	★★★★★ ★★★★★ 1580 funds	★★★★★ ★★★★★ 1580 funds	★★★★★ ★★★★★ 1376 funds	★★★★★ ★★★★★ 817 funds
Virtus Emerging Markets Opportunities Fund HEMZX	Load Waived With Load Diversified Emerging Mkts	★★★★★ ★★★★★ 352 funds	★★★★★ ★★★★★ 352 funds	★★★★★ ★★★★★ 237 funds	★★★★★ ★★★★★ 144 funds
Virtus Foreign Opportunities Fund JVIAX	Load Waived With Load Foreign Large Growth	★★★★★ ★★★★★ 213 funds	★★★★★ ★★★★★ 213 funds	★★★★★ ★★★★★ 164 funds	★★★★★ ★★★★★ 96 funds
Virtus Global Infrastructure Fund PGUAX	Load Waived With Load World Stock	★★★★★ ★★★★★ 697 funds	★★★★★ ★★★★★ 697 funds	★★★★★ ★★★★★ 490 funds	N/A N/A
Virtus Mid-Cap Value Fund FMIVX	Load Waived With Load Mid-Cap Value	★★★★★ ★★★★★ 354 funds	★★★★★ ★★★★★ 354 funds	★★★★★ ★★★★★ 307 funds	★★★★★ ★★★★★ 145 funds
Virtus Multi-Sector Short Term Bond Fund NARAX	Load Waived With Load Short-Term Bond	★★★★★ ★★★★★ 353 funds	★★★★★ ★★★★★ 353 funds	★★★★★ ★★★★★ 322 funds	★★★★★ ★★★★★ 179 funds
Virtus Quality Small-Cap Fund PQSAX	Load Waived With Load Small Blend	★★★★★ ★★★★★ 580 funds	★★★★★ ★★★★★ 580 funds	★★★★★ ★★★★★ 485 funds	N/A N/A
Virtus Real Estate Securities Fund PHRAX	Load Waived With Load Real Estate	★★★★★ ★★★★★ 212 funds	★★★★★ ★★★★★ 212 funds	★★★★★ ★★★★★ 192 funds	★★★★★ ★★★★★ 105 funds
Virtus Short/Intermediate Bond Fund HIMZX	Load Waived With Load Short-Term Bond	★★★★★ ★★★★★ 353 funds	★★★★★ ★★★★★ 353 funds	★★★★★ ★★★★★ 322 funds	★★★★★ ★★★★★ 179 funds
Virtus Small-Cap Core Fund PKSAX	Load Waived With Load Small Growth	★★★★★ ★★★★★ 676 funds	★★★★★ ★★★★★ 676 funds	★★★★★ ★★★★★ 573 funds	N/A N/A
Virtus Small-Cap Sustainable Growth Fund PSGAX	Load Waived With Load Small Growth	★★★★★ ★★★★★ 676 funds	★★★★★ ★★★★★ 676 funds	★★★★★ ★★★★★ 573 funds	N/A N/A
Virtus Tactical Allocation Fund NAINX	Load Waived With Load Aggressive Allocation	★★★★★ ★★★★★ 319 funds	★★★★★ ★★★★★ 319 funds	★★★★★ ★★★★★ 275 funds	★★★★★ ★★★★★ 103 funds
Virtus Tax-Exempt Bond Fund HXBZX	Load Waived With Load Muni National Interm	★★★★★ ★★★★★ 210 funds	★★★★★ ★★★★★ 210 funds	★★★★★ ★★★★★ 185 funds	★★★★★ ★★★★★ 135 funds
Virtus Value Equity Fund HIEZX	Load Waived With Load Large Value	★★★★★ ★★★★★ 1127 funds	★★★★★ ★★★★★ 1127 funds	★★★★★ ★★★★★ 996 funds	★★★★★ ★★★★★ 571 funds

For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for a variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in an investment category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. Ratings are for the A Shares as shown only; other share classes bear different fees and expenses, which affect performance.

Load-waived A share star ratings do not include any front-end sales load and are intended for those investors who have access to such purchase terms (e.g., plan participants of a defined contribution plan). Not all A share mutual funds for which Morningstar calculates a load-waived A share star rating may actually waive their front-end sales load. Therefore, Morningstar strongly encourages investors to contact their investment professional to determine whether they are eligible to purchase the A share without paying the front load.

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IMPORTANT RISK CONSIDERATIONS:

The **guarantee on U.S. government securities** applies only to the underlying securities of the portfolio, and not to the value of the portfolio's shares.

Investing in **high yield bonds** may subject the portfolio to greater credit and market risks.

As **interest rates rise**, existing bond prices fall and can cause the value of an investment in the portfolio to decline. Changes in interest rates will affect the value of longer-term fixed income securities more than shorter-term securities.

The **principal on mortgage- or asset-backed securities** may normally be prepaid at any time, which will reduce the yield and market value of these securities.

Investing in **municipal bonds** involves market risk and credit risk.

The use of **leverage, short selling, futures, options and/or derivatives** may cause exposure to additional risks.

There is **no guarantee that a diversified portfolio will outperform a non-diversified portfolio**, or that diversification among different asset classes reduces risk.

Infrastructure related entities are subject to factors that may adversely affect their business including government policies and regulation.

Concentrating investments in **REITs** involves certain risks such as refinancing, property value changes and management skill.

Investing in the **securities of small and mid-sized companies** involves greater risks and price volatility than larger, more established companies.

A portfolio that is **heavily weighted in a single sector** will be impacted by that sector's performance more than a portfolio with broader sector diversification.

A portfolio that holds a **limited number of securities** will be impacted by each security's performance more than a portfolio with a larger number of holdings.

Investing internationally, especially in **emerging markets**, involves additional risks such as currency, political, accounting, economic and market risk.

A **non-diversified portfolio** may be more susceptible to any single economic, political or regulatory event affecting an issuer than is a diversified portfolio.

Asset allocation does not guarantee a profit or protect against a loss in declining markets. Actual performance will depend on the ability of the asset allocation model in determining asset class allocations and the performance of the underlying market sectors. The proportions allocated to each market sector may cause a portfolio to underperform relevant benchmarks or other investments with a similar objective.

Lack of liquidity in an **ETF** could result in its value being more volatile than the underlying portfolio of securities. **Sector ETFs** are subject to sector risks and non-diversification risks, which may result in greater price fluctuations than the overall market. Because a fund invests in ETFs, it indirectly bears its proportionate share of the operating expenses of the underlying funds. Indirectly, the fund is subject to all risks associated with the underlying ETFs.

A **portion of income of the Tax-Exempt Bond Fund** may be subject to some state and/or local taxes and for some investors, a portion may be subject to the federal alternative minimum tax.

There is **no guarantee that a fund will meet its objective.**

Please carefully consider a Fund's investment objectives, risks, charges and expenses before investing. For this and other information about any Virtus mutual fund, call 1-800-243-4361 or visit Virtus.com for a prospectus. Read it carefully before you invest or send money.

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